

## **IC 27-13-34**

### **Chapter 34. Limited Service Health Maintenance Organizations**

#### **IC 27-13-34-1**

##### **"Enrollee" defined**

Sec. 1. (a) As used in this chapter, "enrollee" means an individual who is entitled to limited health services under a contract with an entity authorized to provide or arrange for limited health services under this chapter.

(b) The term includes the dependent of an individual described in subsection (a).

*As added by P.L.26-1994, SEC.25.*

#### **IC 27-13-34-2**

##### **"Evidence of coverage" defined**

Sec. 2. As used in this chapter, "evidence of coverage" means the certificate, agreement, or contract issued under section 13 of this chapter setting forth the coverage to which an enrollee is entitled.

*As added by P.L.26-1994, SEC.25.*

#### **IC 27-13-34-3**

##### **"Limited health services" defined**

Sec. 3. (a) As used in this chapter, "limited health services" refers to:

- (1) dental care services;
- (2) vision care services;
- (3) mental health services;
- (4) substance abuse services;
- (5) pharmaceutical services;
- (6) podiatric care services; and
- (7) other services that the commissioner determines to be limited health services.

(b) The term does not include hospital or emergency services, except as those services are provided incident to a limited health service.

*As added by P.L.26-1994, SEC.25.*

#### **IC 27-13-34-4**

##### **"Limited service health maintenance organization" defined**

Sec. 4. (a) As used in this chapter, "limited service health maintenance organization" means a corporation, partnership, limited liability company, or other entity that undertakes to provide or arrange a limited health service on a prepayment basis or other basis.

(b) The term does not include a provider or an entity when providing or arranging for the provision of limited health services under a contract with a limited service health maintenance organization.

*As added by P.L.26-1994, SEC.25.*

#### **IC 27-13-34-5**

**"Provider" defined**

Sec. 5. As used in this chapter, "provider" means a physician, a dentist, an optometrist, a health facility, or other person or institution that is licensed or otherwise authorized to deliver or furnish limited health service.

*As added by P.L.26-1994, SEC.25.*

**IC 27-13-34-6****"Subscriber" defined**

Sec. 6. As used in this chapter, "subscriber" means a person whose employment status or other status, except for family dependency, is the basis for eligibility for limited health services under a contract with an entity authorized to provide or arrange for limited health services under this chapter.

*As added by P.L.26-1994, SEC.25.*

**IC 27-13-34-7****Certificate of authority required; foreign entities**

Sec. 7. (a) After December 31, 1994, a person, corporation, partnership, limited liability company, or other entity may not operate a limited service health maintenance organization in Indiana without obtaining and maintaining a certificate of authority from the commissioner under this chapter.

(b) A for-profit or nonprofit corporation organized under the laws of another state, other than a foreign corporation defined under IC 27-1-2-3, may obtain a certificate of authority to operate a limited service health maintenance organization in Indiana if the foreign corporation is authorized to do business in Indiana under IC 23-1-49 or IC 23-17-26 and complies with this chapter.

(c) A foreign corporation (as defined in IC 27-1-2-3) may obtain a certificate of authority to operate a limited service health maintenance organization in Indiana if the foreign corporation complies with this chapter.

(d) A foreign or alien limited service health maintenance organization granted a certificate of authority under this chapter has the same but not greater rights and privileges than a domestic limited service health maintenance organization.

*As added by P.L.26-1994, SEC.25. Amended by P.L.203-2001, SEC.32.*

**IC 27-13-34-8****Application for certificate of authority; requirements**

Sec. 8. (a) An application for a certificate of authority to operate a limited service health maintenance organization must be filed with the commissioner on a form prescribed by the commissioner. An application must be verified by an officer or authorized representative of the applicant and must set forth, or be accompanied by, the following:

- (1) A copy of the applicant's basic organizational document, such as the articles of incorporation, articles of association,

partnership agreement, trust agreement, articles of organization, or other applicable documents, and all amendments to those documents.

(2) A copy of all bylaws, rules and regulations, or similar documents, if any, regulating the conduct of the internal affairs of the applicant.

(3) A list of the names, addresses, official positions, and biographical information of the individuals who are to be responsible for conducting the affairs and daily operations of the applicant, including the following:

(A) All members of the board of directors, board of trustees, executive committee, or other governing board or committee.

(B) The principal officers.

(C) Any person or entity owning or having the right to acquire at least ten percent (10%) of the voting securities of the applicant.

(D) In the case of a partnership or an association, the partners or members of the partnership or association.

(E) In the case of a limited liability company, the managers or members of the limited liability company.

(4) A statement generally describing the applicant, the facilities and personnel of the applicant, and the limited health service or services that the applicant will offer.

(5) A copy of the form of any contract that has been made or is to be made between the applicant and any providers regarding the provision of limited health services to enrollees.

(6) A copy of the form of any contract that has been made or is to be made between the applicant and any person referred to in subdivision (3).

(7) A copy of the form of any contract that has been made or is to be made between the applicant and any person, corporation, partnership, or other entity for the performance of any functions on behalf of the applicant, including the following:

(A) Marketing.

(B) Administration.

(C) Enrollment.

(D) Investment management.

(E) Subcontracting for the provision of limited health services to enrollees.

(8) A copy of the form of any contract that is to be issued to employers, unions, trustees, or other organizations or individuals, and a copy of any form of evidence of coverage to be issued to subscribers.

(9) Subject to subsection (b), a copy of the most recent financial statements of the applicant, audited by an independent certified public accountant.

(10) A copy of the financial plan of the applicant, including:

(A) a projection of anticipated operating results for at least three (3) years; and

- (B) a statement of the sources of working capital and any other sources of funding and provisions for contingencies.
- (11) A description of the proposed method of marketing.
- (12) A statement acknowledging that all lawful process in any legal action or proceeding against the applicant on a cause of action arising in Indiana is valid if served in accordance with the Indiana Rules of Trial Procedure.
- (13) A description of the complaint procedures to be established and maintained under IC 27-13-10.
- (14) A description of the quality assessment and utilization review procedures to be used by the applicant.
- (15) A description of how the applicant will comply with sections 16 and 17 of this chapter.
- (16) The fee for the issuance of a certificate of authority required by section 23 of this chapter.
- (17) A written waiver of the applicant's rights under federal bankruptcy laws.
- (18) Other information that the commissioner reasonably requires to make the determinations required by this chapter.
- (19) If the applicant is not domiciled in Indiana, an executed power of attorney appointing the commissioner, the commissioner's successors in office, and authorized deputies of the commissioner as the true and lawful attorney of the applicant in and for Indiana upon whom all lawful process in any legal action or proceeding against the limited service health maintenance organization on a cause of action arising in Indiana may be served.

(b) If the financial affairs of the parent company of the applicant are audited by independent certified public accountants but those of the applicant are not, an applicant may satisfy the requirement set forth in subsection (a)(9) by including with the application the most recent audited financial statement of the applicant's parent company, certified by an independent certified public accountant, attached to which shall be consolidating financial statements of the applicant, unless the commissioner determines that additional or more recent financial information is required for the proper administration of this chapter.

*As added by P.L.26-1994, SEC.25.*

#### **IC 27-13-34-9**

##### **Issuance of certificate of authority; application deficiencies; denial of application**

Sec. 9. (a) After receiving an application filed under section 8 of this chapter, the commissioner shall review the application and notify the applicant of any deficiencies in the application.

(b) The commissioner shall issue a certificate of authority to an applicant if the following conditions are met:

- (1) The requirements of section 8 of this chapter have been fulfilled.
- (2) The individuals responsible for conducting the affairs of the

applicant are competent, trustworthy, possess good reputations, and have had appropriate experience, training, or education.

(3) The applicant is financially responsible and may reasonably be expected to meet its obligations to enrollees and to prospective enrollees. In making this determination, the commissioner may consider:

(A) the financial soundness of the arrangements of the applicant for limited health services;

(B) the adequacy of the applicant's working capital, other sources of funding, and provisions for contingencies;

(C) any agreement for paying the cost of the limited health services or for alternative coverage in the event of insolvency of the limited service health maintenance organization; and

(D) the manner in which the requirements of sections 16 and 17 of this chapter have been fulfilled.

(4) The agreements with providers for the provision of limited health services contain the provisions required by section 15 of this chapter.

(5) Any deficiencies identified by the commissioner have been corrected.

(c) If an application for a certificate of authority is denied, the commissioner shall notify the applicant and shall specify in the notice the reasons for the denial of the application. Within thirty (30) days after receiving the notice, the applicant may request a hearing before the commissioner under IC 4-21.5.

*As added by P.L.26-1994, SEC.25.*

#### **IC 27-13-34-10**

##### **Powers of limited service health maintenance organization**

Sec. 10. (a) Subject to subsection (b), the powers of a limited service health maintenance organization include the following:

(1) The purchase, lease, construction, renovation, operation, or maintenance of:

(A) medical facilities that will provide limited health services;

(B) equipment for medical facilities providing limited health services; and

(C) other property reasonably required for the principal office of the limited service health maintenance organization or for purposes necessary in the transaction of the business of the organization.

(2) Engaging in transactions between affiliated entities, including loans and the transfer of responsibility under any or all contracts:

(A) between affiliates; or

(B) between the limited service health maintenance organization and the parent organization of the limited service health maintenance organization.

(3) The furnishing of limited health services through the

following:

- (A) Providers.
- (B) Provider associations.
- (C) Agents for providers who are under contract with or are employed by the limited service health maintenance organization. The contracts with providers, provider associations, or agents for providers may include fee for service, cost plus, capitation, or other payment or risk-sharing agreements.
- (4) Contracting with any person for the performance on behalf of the limited service health maintenance organization of certain functions, including:
  - (A) marketing;
  - (B) enrollment; and
  - (C) administration.
- (5) Contracting with:
  - (A) an insurance company licensed in Indiana; or
  - (B) an authorized reinsurer for the provision of insurance, indemnity, or reimbursement against the cost of health care services provided by the limited service health maintenance organization.
- (6) The offering of point-of-service products for the limited health services for which the limited service health maintenance organization is licensed so long as the limited service health maintenance organization complies with the reinsurance or ratio requirements of IC 27-13-13-8.
- (7) The joint marketing of products with:
  - (A) an insurance company that is licensed in Indiana; or
  - (B) a health maintenance organization that is authorized to conduct business in Indiana;if the company that is offering each product is clearly identified.
- (8) Providing limited health services at the expense of a self-funded plan.
- (b) Nothing in this section qualifies an asset of a prepaid limited health service organization as an admitted asset.

*As added by P.L.26-1994, SEC.25.*

### **IC 27-13-34-11**

#### **Modification of documents; filing; disapproval**

Sec. 11. (a) Before making any material modification of any matter or document furnished under section 8 of this chapter, a limited service health maintenance organization shall file with the commissioner:

- (1) a notice of the modification; and
- (2) supporting documents that are necessary to fully explain the modification.
- (b) If a limited service health maintenance organization desires to add one (1) or more limited health services, it must:
  - (1) file a notice with the commissioner;
  - (2) submit the information required by section 8 of this chapter

concerning each limited health service to be added, if that information is different from the information filed with the application of the limited service health maintenance organization; and

(3) demonstrate compliance with sections 16, 17, 18, and 23 of this chapter with respect to each limited health service to be added by the organization.

(c) If the commissioner does not disapprove a filing under subsection (a) or (b) within thirty (30) days after the commissioner receives the filing, or within any period of extension granted by the commissioner, the filing shall be deemed approved.

(d) If a filing under subsection (a) or (b) is disapproved, the commissioner shall:

(1) notify the limited service health maintenance organization of the disapproval of the filing in writing deposited in the United States mail addressed to the limited service health maintenance organization; and

(2) specify the reasons for disapproval of the filing in the notice.

(e) Within thirty (30) days after it receives a notice of disapproval under subsection (d), the limited service health maintenance organization may request a hearing before the commissioner under IC 4-21.5 concerning the disapproval of the filing. If, not more than thirty (30) days after receiving the notice from the commissioner, the limited service health maintenance organization requests a hearing, the commissioner shall hold a hearing upon not less than ten (10) days notice to the limited service health maintenance organization.

*As added by P.L.26-1994, SEC.25.*

## **IC 27-13-34-12**

### **Applicable statutes**

Sec. 12. A limited service health maintenance organization operated under this chapter is subject to the following:

(1) IC 27-1-36 concerning risk based capital, unless exempted by the commissioner under IC 27-1-36-1.

(2) IC 27-13-8, except for IC 27-13-8-2(a)(6) concerning reports.

(3) IC 27-13-9-3 concerning termination of providers.

(4) IC 27-13-10-1 through IC 27-13-10-3 concerning grievance procedures.

(5) IC 27-13-11 concerning investments.

(6) IC 27-13-15-1(a)(2) through IC 27-13-15-1(a)(3) concerning gag clauses in contracts.

(7) IC 27-13-21 concerning producers.

(8) IC 27-13-29 concerning statutory construction and relationship to other laws.

(9) IC 27-13-30 concerning public records.

(10) IC 27-13-31 concerning confidentiality of medical information and limitation of liability.

(11) IC 27-13-36-5 and IC 27-13-36-6 concerning referrals to

out of network providers and continuation of care.

(12) IC 27-13-40 concerning comparison sheets of services provided by the limited service health maintenance organization.

*As added by P.L.26-1994, SEC.25. Amended by P.L.191-1997, SEC.14; P.L.69-1998, SEC.12; P.L.133-1999, SEC.8; P.L.51-2002, SEC.12.*

### **IC 27-13-34-13**

#### **Evidence of coverage; required information**

Sec. 13. (a) Every subscriber of a limited service health maintenance organization shall be issued an evidence of coverage in electronic or paper form, which must contain a clear and complete statement of the following:

- (1) The limited health services to which each enrollee is entitled.
- (2) Any limitation of the services, kinds of services, or benefits to be provided.
- (3) Any exclusions, including any copayment or other charges.
- (4) Where and in what manner information is available as to where and how services may be obtained.
- (5) The method for resolving complaints.

(b) Any amendment to the evidence of coverage may be provided to the subscriber in a separate document in electronic or paper form.

(c) A limited service health maintenance organization shall issue the evidence of coverage described in subsection (a) and an amendment described in subsection (b) in paper form upon the request of the subscriber.

(d) A limited service health maintenance organization shall include in the limited service health maintenance organization's enrollment materials information concerning the manner in which a subscriber may:

- (1) obtain an evidence of coverage; and
- (2) request the evidence of coverage in paper form.

*As added by P.L.26-1994, SEC.25. Amended by P.L.125-2005, SEC.8.*

### **IC 27-13-34-14**

#### **Examinations by commissioner**

Sec. 14. (a) The commissioner may examine a limited service health maintenance organization as often as is reasonably necessary to protect the interests of Indiana citizens. However, an examination of a limited service health maintenance organization domiciled in Indiana must be conducted at least one (1) time every three (3) years.

(b) A limited service health maintenance organization:

- (1) shall make its relevant books and records, and the books and records in its custody and control, available for examination under this section; and
- (2) in every way cooperate with the commissioner to facilitate the examination.

(c) The expenses of an examination under this section shall be paid by the organization being examined.

(d) Instead of conducting an examination of a limited service health maintenance organization that is not domiciled in Indiana, the commissioner may accept the report of an examination made by the chief administrative officer who regulates insurance in another state, if the other state is accredited by the National Association of Insurance Commissioners.

*As added by P.L.26-1994, SEC.25.*

#### **IC 27-13-34-15**

##### **Required contract terms and conditions; exemptions**

Sec. 15. All contracts with providers or with entities subcontracting for the provision of limited health services to enrollees on a prepayment basis or other basis must contain, or shall be construed to contain, the following terms and conditions:

(1) If the limited service health maintenance organization fails to pay for limited health services for any reason whatsoever, including insolvency or breach of this contract, the enrollees shall not be liable to the provider for any sums owed to the provider under this contract.

(2) No provider or agent, trustee, representative, or assignee of a provider may maintain an action at law or attempt to collect from the enrollee sums that the limited service health maintenance organization owes to the provider.

(3) These provisions do not prohibit the collection of:

(A) uncovered charges consented to by enrollees; or

(B) copayments;

from enrollees.

(4) The contract may not provide for a financial or other penalty to a primary care provider for making a referral permitted under IC 27-13-36-5(a), but may provide for reasonable cost sharing between the primary care provider and the limited service health maintenance organization for the additional costs incurred as a result of services provided by an out of network provider.

(5) These provisions survive the termination of this contract, regardless of the reason for the termination.

(6) For not more than ninety (90) days after the termination of this contract, the provider must complete procedures in progress on an enrollee receiving treatment for a specific condition, at the same schedule of copayment or other applicable charge that is in effect on the effective date of termination of the contract.

(7) An amendment to the provisions of this contract set forth in subdivisions (1) through (6) must be:

(A) submitted to; and

(B) approved by;

the commissioner before it becomes effective.

*As added by P.L.26-1994, SEC.25. Amended by P.L.69-1998, SEC.13.*

**IC 27-13-34-16**

**"Net worth" and "uncovered expense" defined; computation of net worth; minimum net worth**

Sec. 16. (a) As used in this section, "net worth" means the excess of total assets over total liabilities, excluding liabilities that have been subordinated in a manner acceptable to the commissioner.

(b) For the purposes of computing net worth, the total assets must be reduced by the value assigned to the following intangible assets:

- (1) Goodwill.
- (2) Going concern value.
- (3) Organizational expense.
- (4) Start-up costs.
- (5) Long term prepayments of deferred charges.
- (6) Nonreturnable deposits.
- (7) Obligations of officers, directors, owners, or affiliates, except short term obligations of affiliates for goods or services that:
  - (A) arise in the normal course of business;
  - (B) are payable on the same terms as equivalent transactions with nonaffiliates; and
  - (C) are not past due.

(c) As used in this section, "uncovered expense" means the cost of health care services:

- (1) that are the obligation of a limited service health maintenance organization;
- (2) for which an enrollee may be liable in the event of the insolvency of the organization; and
- (3) for which alternative arrangements acceptable to the commissioner have not been made to cover the costs.

(d) For purposes of the definition of "uncovered expense" set forth in subsection (c), costs incurred by a provider who has agreed in writing not to bill enrollees, except for permissible supplemental charges, shall be considered a covered expense.

(e) Each limited service health maintenance organization must, at all times, have and maintain net worth equal to the greater of:

- (1) fifty thousand dollars (\$50,000); or
- (2) two and one-half percent (2.5%) of the annual gross subscription income of the organization, up to a maximum of two hundred fifty thousand dollars (\$250,000).

(f) A limited service health maintenance organization shall maintain as a claim or loss reserve, in cash or obligations of the United States government, assets sufficient to discharge all liabilities on all uncovered expenses arising under policies issued.

(g) The commissioner may adopt rules under IC 4-22-2 to further define whether and to what extent the assets of a limited service health maintenance organization may be considered to be admitted assets for the purposes of complying with the requirements of this chapter.

*As added by P.L.26-1994, SEC.25.*

### **IC 27-13-34-17**

#### **Required deposit**

Sec. 17. (a) Each limited service health maintenance organization shall deposit in a joint-name account with:

- (1) the commissioner; or
- (2) any bank or bank and trust company or other financial institution acceptable to the commissioner through which a custodial or controlled account is used;

cash, securities acceptable to the commissioner, or any combination of these, in an amount equal to fifty thousand dollars (\$50,000).

(b) For the purposes of section 16 of this chapter:

- (1) a deposit made by an organization under this section shall be treated as an admitted asset of the organization in the determination of net worth; and
- (2) all income from deposits of an organization under this section shall be an asset of the organization.

(c) An organization may withdraw:

- (1) a deposit made under this section; or
- (2) any part of the deposit;

after making a substitute deposit of equal amount and value.

(d) Any obligations of the United States government deposited with the commissioner under this section must be approved by the commissioner before being substituted under subsection (c).

(e) The deposit made by a limited service health maintenance organization under this section shall be used to protect the interest of the enrollees of the organization and to assure continuation of limited health care services to enrollees of a limited service health maintenance organization that is in rehabilitation or conservation.

(f) If a limited service health maintenance organization is placed in rehabilitation or liquidation, the deposit made by the organization under this section shall be an asset subject to IC 27-9.

(g) The commissioner is not required to but may reduce or eliminate the deposit requirement of this section for a limited service health maintenance organization if the organization:

- (1) has made an acceptable deposit with the state or jurisdiction in which the organization is domiciled for the protection of all enrollees, wherever located; and
- (2) delivers to the commissioner a certificate to that effect, authenticated by the appropriate state official holding the deposit.

*As added by P.L.26-1994, SEC.25.*

### **IC 27-13-34-18**

#### **Fidelity bonds; deposit in place of bond**

Sec. 18. (a) Except as provided in subsection (c), a limited service health maintenance organization shall maintain in force a fidelity bond in its own name on its officers and employees:

- (1) in an amount not less than fifty thousand dollars (\$50,000); or
- (2) in any other amount prescribed by the commissioner.

(b) The fidelity bond required by this section must be issued by an insurance company not affiliated in any way with the limited service health maintenance organization, that is licensed to do business in Indiana. However, if a fidelity bond is not available from an insurance company that holds a certificate of authority in Indiana, a limited service health maintenance organization may satisfy the requirement of this section by maintaining a fidelity bond procured by a surplus lines insurance producer not affiliated in any way with the limited service health maintenance organization who holds a license issued under IC 27-1-15.8.

(c) Instead of maintaining a fidelity bond under subsection (a), a limited service health maintenance organization may deposit with the commissioner:

- (1) cash;
- (2) certificates of deposit;
- (3) United States government obligations acceptable to the commissioner;
- (4) any other securities acceptable to the commissioner of the types referred to in IC 27-13-11-1; or
- (5) a combination of the items described in subdivisions (1) through (4).

A deposit made under this subsection is in addition to any other required deposit, and must also be maintained in joint custody with the commissioner in the amount and subject to the same conditions required for a fidelity bond under this section.

*As added by P.L.26-1994, SEC.25. Amended by P.L.132-2001, SEC.19; P.L.178-2003, SEC.87.*

#### **IC 27-13-34-19**

##### **Annual reports; additional reports**

Sec. 19. (a) On or before March 1 of each year, a limited service health maintenance organization shall file with the commissioner a report that covers the preceding calendar year. The report must be:

- (1) made on forms prescribed by the commissioner; and
- (2) verified by at least two (2) principal officers of the limited service health maintenance organization.

(b) In addition to the report required by subsection (a), a limited service health maintenance organization shall file with the commissioner on or before June 1 of each year an audited financial statement of the limited service health maintenance organization for the preceding calendar year.

(c) The commissioner may require any additional reports necessary to enable the commissioner to carry out the duties of the commissioner under this chapter.

*As added by P.L.26-1994, SEC.25.*

#### **IC 27-13-34-20**

##### **Suspension or revocation of certificate of authority**

Sec. 20. (a) The commissioner may suspend or revoke the certificate of authority issued to a limited service health maintenance

organization under this chapter or deny an application submitted under this chapter upon determining that any of the following conditions exist:

(1) The limited service health maintenance organization is operating:

(A) significantly in contravention of the basic organizational document of the organization; or

(B) in a manner contrary to that described in and reasonably inferred from any other information submitted under section 8 of this chapter;

unless amendments to the organization's submissions have been filed and authorized under section 11 of this chapter.

(2) The limited service health maintenance organization issues an evidence of coverage that does not comply with the requirements of section 13 of this chapter.

(3) The limited service health maintenance organization is unable to fulfill its obligations to furnish limited health services.

(4) The limited service health maintenance organization is not financially responsible and may reasonably be expected to be unable to meet its obligations to enrollees or prospective enrollees.

(5) The net worth of the limited service health maintenance organization is less than that required by section 16 of this chapter, or the limited service health maintenance organization has failed to correct any deficiency in its net worth as required by the commissioner.

(6) The limited service health maintenance organization has failed to implement in a reasonable manner the grievance system required by IC 27-13-10.

(7) The continued operation of the limited service health maintenance organization would be hazardous to the enrollees of the organization.

(8) The limited service health maintenance organization has otherwise failed to comply with this chapter.

(b) The commissioner may suspend or revoke a certificate of authority or deny an application for a certificate of authority by written order sent to the limited service health maintenance organization by certified mail or registered mail. The written order shall state the grounds for the suspension, revocation, or denial. A limited service health maintenance organization may request in writing a hearing within thirty (30) days after mailing of the order. If the limited service health maintenance organization requests a hearing within the time specified, the commissioner shall hold a hearing, which may not be less than twenty (20) days or more than sixty (60) days after the date of the notice for a hearing on the matter under IC 4-21.5.

(c) Immediately after the certificate of authority of a limited service health maintenance organization is revoked, the organization shall proceed to wind up its affairs. An organization whose

certificate is revoked:

- (1) shall not conduct further business except as may be essential to the orderly conclusion of the affairs of the organization; and
- (2) shall not engage in further advertising or solicitation.

However, the commissioner may, by written order, permit the further operation of the organization as the commissioner may find to be in the best interest of enrollees, to the end that enrollees will be afforded the greatest practical opportunity to obtain continuing limited health services.

*As added by P.L.26-1994, SEC.25.*

#### **IC 27-13-34-21**

##### **Chapter violations; fines and penalties**

Sec. 21. (a) In place of any other penalty specified in this chapter, or when no penalty is specifically provided, whenever any limited service health maintenance organization or other person, corporation, partnership, limited liability company, or entity subject to this chapter has been found to have violated any provision of this chapter, the commissioner may:

- (1) issue and cause to be served upon the organization, person, or entity charged with the violation a copy of the findings and an order requiring the organization, person, or entity to cease and desist from engaging in the act or practice that constitutes the violation; and
- (2) impose a monetary penalty of not more than two thousand five hundred dollars (\$2,500) for each violation, but not to exceed an aggregate penalty of twenty-five thousand dollars (\$25,000).

(b) A limited service health maintenance organization may appeal any action taken by the commissioner under this section within thirty (30) days after receiving notice of the action by requesting a hearing before the commissioner under IC 4-21.5.

*As added by P.L.26-1994, SEC.25.*

#### **IC 27-13-34-22**

##### **Supervision, rehabilitation, or liquidation; remedies and measures**

Sec. 22. (a) Any supervision, rehabilitation, or liquidation of a limited service health maintenance organization shall be considered to be the supervision, rehabilitation, or liquidation of an insurance company and shall be conducted under IC 27-9.

(b) A limited service health maintenance organization is not subject to IC 27-6-8 or IC 27-8-8.

(c) The remedies and measures available to the commissioner under this chapter are in addition to and not in the place of the remedies and measures available to the commissioner under IC 27-9.

*As added by P.L.26-1994, SEC.25.*

#### **IC 27-13-34-23**

##### **Fees**

Sec. 23. (a) A limited service health maintenance organization

subject to this chapter shall pay to the commissioner the following fees:

(1) For filing an application for a certificate of authority or an amendment to an application, three hundred fifty dollars (\$350).

(2) For filing each annual report, fifty dollars (\$50).

(b) In addition to the fees required by subsection (a), a limited service health maintenance organization subject to this chapter must pay the fees required by IC 27-1-3-15.

*As added by P.L.26-1994, SEC.25.*

#### **IC 27-13-34-24**

##### **Dental care services and director; review of adverse decisions; complaints**

Sec. 24. (a) A limited service health maintenance organization that provides dental care services shall appoint a dental director who has an unlimited license to practice dentistry under IC 25-14 or an equivalent license issued by another state.

(b) The dental director appointed under subsection (a) is responsible for oversight of treatment policies, protocols, quality assurance activities, credentialing of participating providers, and utilization management decisions of the limited service health maintenance organization.

(c) A limited service health maintenance organization that provides dental care services shall contract with or employ at least one (1) individual who holds an unlimited license to practice dentistry under IC 25-14 or an equivalent license issued by another state to do the following:

(1) Develop, in consultation with a group of appropriate providers, the limited service health maintenance organization's treatment policies, protocols, and quality assurance activities.

(2) Respond when a treating provider requests in writing that a dentist reconsider an adverse utilization review decision.

(d) A limited service health maintenance organization that provides dental care services that receives a written request for reconsideration of an adverse utilization review decision from a treating provider shall:

(1) review the decision as expeditiously as possible; and

(2) provide a response to the treating provider not more than ten (10) business days after receiving the request.

(e) A limited service health maintenance organization that provides dental care services shall provide participating providers with an opportunity to comment on the following:

(1) Treatment policies.

(2) Protocols.

(3) Quality assurance activities.

(4) Credentialing policies and procedures.

(5) Utilization management policies and procedures.

*As added by P.L.91-2000, SEC.1.*

#### **IC 27-13-34-26**

**Complaints; records**

Sec. 26. (a) The department shall maintain records concerning complaints filed against a limited service health maintenance organization that provides dental care services.

(b) The department shall classify complaints described in subsection (a) in categories according to the National Association of Insurance Commissioners standardized complaint report procedures.

(c) The department shall classify the disposition of complaints in each category by:

(1) number of complaints for which corrective action is considered necessary by the department; and

(2) number of complaints classified by National Association of Insurance Commissioners disposition codes.

(d) The department shall make information specified in this section available to the public in a form that does not identify any specific individual.

(e) A limited service health maintenance organization that provides dental care services may not take any retaliatory action, including cancellation or refusal to renew a participating provider contract, individual contract, or group contract, solely because a participating provider, enrollee, or individual or group contract holder files a complaint against the limited service health maintenance organization.

*As added by P.L.91-2000, SEC.2.*